

A STUDY ON IMPLEMENTATION CHALLENGES AND OPPORTUNITIES OF THE YUVA NIDHI SCHEME IN KARNATAKA

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ABSTRACT

The Yuva Nidhi scheme, launched by the Karnataka government in January 2024, seeks to mitigate educated youth unemployment by offering a monthly stipend ₹3,000 to degree holders and ₹1,500 to diploma holders for up to two years or until employment is secured. Disbursed via Direct Benefit Transfer, the program ensures transparency and alleviates financial hardship during job searches. Complementary Yuva Nidhi Plus skill-building courses aim to bridge the gap between academic qualifications and market requirements. This study reviews existing literature on employment dynamics in India, analyzes the scheme's objectives, scope, and eligibility criteria, and evaluates its economic, social, and administrative impacts. While over 300,000 beneficiaries have enrolled, challenges persist in timely disbursements, low training participation, and limited awareness. The research highlights the scheme's potential to foster self-reliance, stimulate economic growth, and inform policy design, while recommending improvements in implementation, outreach, and fiscal sustainability.

Keywords : Yuva Nidhi, Graduate, Unemployment, Government, Financial

INTODUCTION:

The Yuva Nidhi scheme, launched by the Karnataka government in January 2024, provides a vital safety net for the state's educated but unemployed youth. Recognizing that robust economic growth has not translated into sufficient job opportunities for recent graduates and diploma holders, the program offers a monthly unemployment allowance ₹3,000 for degree holders and ₹1,500 for diploma holders after six months of joblessness. Support continues for up to two years or until employment is secured, whichever occurs first. Disbursed via Direct Benefit Transfer, the allowance ensures transparency and reliability. As one of five "guarantee schemes" promised by the ruling party, Yuva Nidhi underscores a strong commitment to social welfare and youth empowerment.

To tackle the root causes of unemployment, the scheme also includes the "Yuva Nidhi Plus" initiative, which partners with accredited institutions to deliver certified skill-building courses. By combining financial relief with targeted training, the program helps beneficiaries enhance their employability and compete in a demanding labour market.

Implementation challenges such as delays in disbursement, complex application procedures, and low participation in training programs have emerged, but the scheme's overall impact is significant. By mitigating financial stress, fostering skill development, and empowering young people to pursue self-reliant career paths, Yuva Nidhi not only strengthens Karnataka's human capital but also offers a replicable model for other regions confronting similar youth employment challenges.

CONCEPTS

1. **Financial allowance:** The scheme provides a monthly unemployment allowance to eligible graduates and diploma holders.
 - a. **Graduates:** Receive ₹3,000 per month.
 - b. **Diploma holders:** Receive ₹1,500 per month.
2. **Direct Benefit Transfer (DBT):** The financial aid is transferred directly to the bank accounts of the beneficiaries, ensuring an efficient and transparent process.
3. **Skill development:** Beyond financial aid, the scheme includes a component called "Yuva Nidhi Plus" that offers free skill-building workshops and courses to help beneficiaries become more employable. These courses cover various in-demand fields, such as Artificial Intelligence and cyber security.
4. **Temporary support:** The monthly allowance is provided for a maximum of two years. It ceases immediately if the beneficiary finds employment or pursues higher education.
5. **Self-declaration:** To continue receiving benefits, beneficiaries are required to submit a self-declaration of their unemployment status, typically every three months, through the official online portal.

ELIGIBILITY CRITERIA:

1. **Residence:** The applicant must be a permanent resident of Karnataka and must have studied in the state for at least six years up to their degree or diploma.
2. **Education:** Must be a degree or diploma holder, with the scheme currently applicable to those who completed their course in the academic years 2022–2023 or 2023–2024.

REVIEW OF LITERATURE:

1. **Himanshu (2011)** explained that, the Economic and Political Weekly by Himanshu embarks on a journey through the evolving landscape of India's labor market. This insightful review delves into the shifting sands of employment trends, unraveling their implications for policy. It offers a tapestry of suggestions to combat unemployment and ignite the flames of job creation, painting a vivid picture of a future brimming with opportunities.
2. **Papola T.S. (2013)** highlighted that the "Economic Growth and Employment Linkages in India" Papola's 2013 study in The Indian Journal of Labour Economics investigates how economic growth in India is connected to employment trends. The analysis reveals that recent economic expansion has not led to a corresponding increase in job opportunities. Papola examines shifting structural dynamics in both the economy and the labour market, emphasizing that inclusive growth policies are vital for achieving sustainable economic development.
3. **Venkatesh Narayana M (2015):** examined the relevance of "Employment and Unemployment Situation in India" in the Indian Journal of Industrial Relations reviews the employment and unemployment landscape in India, highlighting key trends and challenges. The author discusses policy implementation and suggests measures to enhance employment opportunities and reduce unemployment.

4. **Dayal H (2016):** Described that “**The Challenge of Employment In India; An Informal Perspective**” journal of development policy and practice Dayal's paper thoughtfully examines the challenges of employment in India from the perspective of the informal sector. The study highlights the importance of developing policies that support informal workers and enhance employment opportunities within the informal economy.
5. **Bhandari (2020) “ Unemployment In India Perspective;** gendered perspective.” a journal of social and economic development Bhandari's study offer a gender analysis of unemployment in India highlights the disparities faced by women the review of explosions social economic factor contributing to gender specific unemployment Trends and recruitment target policy to improve female labour force.

NEED OF THE STUDY:

This research seeks to clarify the Yuva Nidhi scheme by exploring its foundational concept, the challenges encountered during its implementation, and the potential opportunities it presents. Furthermore, the study offers an evaluation of the scheme's current status, detailing the financial investment made by Karnataka in this program.

SCOPE OF THE STUDY:

The Yuva Nidhi initiative offers multifaceted advantages to the government through its comprehensive approach to youth unemployment. By facilitating self-employment opportunities for young individuals, the program systematically addresses unemployment challenges while generating broader economic benefits. The scheme contributes to economic expansion through increased productivity, enhanced tax revenue generation from newly employed beneficiaries, and accelerated national development through improved human capital utilization.

OBJECTIVES:

1. To study on Yuva nidhi scheme Karnataka.
2. To examine effectiveness of Yuva nidhi scheme in Karnataka.
3. To understand the current status of Karnataka Yuva nidhi scheme.
4. To understand the challenges and opportunities of Yuva nidhi scheme.
5. To Understand the Pro and cons of Yuva nidhi Scheme in Karnataka.

RESEARCH METHODOLOGY:

The Study developed based on the Descriptive methods. The Yuva Nidhi Scheme, initiated by the Government of Karnataka in 2024, this scheme offers Rs 3000 For Degree Holders, and 1500 for Diploma Holders, the Scheme guaranteed by Karnataka State Government In the present study the data has collected through Secondary Data, For the effective implementation of the Yuva Nidhi,Scheme the state government of Karnataka has allotted the following amount of money for different financial years.

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Financial Year	Money Allocated to Yuva Nidhi Scheme
2023-2024	₹250 Crore
2024-2025	₹600 Crore
2025-2026	₹650 Crore
Total	₹1500 Crore

(Sources: *Fiscal policy Government of Karnataka*)

BENEFITS OF YUVA NIDHI BENEFICIERS:

The Yuva Nidhi scheme provides financial assistance to unemployed graduates and diploma holders in Karnataka, India, offering crucial economic and social significance. The benefits for holders of this scheme can be detailed as follows

1. ECONOMIC SIGNIFICANCE:

- a. Financial stability:** Beneficiaries receive a monthly allowance, which provides a temporary safety net and prevents them from falling into poverty during their job search.
- b. Reduced financial burden on families:** The scheme helps ease the financial stress on the families of unemployed youth, especially those from low-income backgrounds.
- c. Support for job search expenses:** The monthly allowance can cover the costs associated with seeking employment, such as transport, internet access for online applications, and printing of resumes.
- d. Promotes self-reliance:** The financial aid helps prevent the feeling of dependency on family members, boosting the youth's confidence as they pursue their careers.
- e. Investment in job applications:** With financial support, youth can invest more in enhancing their resumes, attending interviews, and improving their chances of securing a job.
- f. Avoids debt accumulation:** The allowance helps young people avoid taking on high-interest loans to cover living expenses while they are unemployed, preventing a cycle of debt.
- g. Contribution to the local economy:** The financial aid, when spent by beneficiaries, circulates within the local economy, supporting small businesses and service providers.
- h. Mitigates lost productivity:** By supporting educated youth, the scheme mitigates the risk of long-term unemployment, which represents a loss of human capital and economic potential for the state.

2. PERSONAL AND SOCIAL SIGNIFICANCE:

- a. Boosts mental well-being:** The financial support and the validation from the government can reduce the stress, despair, and anxiety often associated with joblessness.
- b. Prevents marginalization:** By keeping unemployed youth engaged and financially afloat, the scheme helps prevent their social and economic marginalization.

- c. **Encourages higher education:** Knowing that there is a support system in place can incentivize more students to pursue higher education, including degree and diploma programs.
- d. **Opportunity for skill enhancement:** The scheme's affiliated skill development programs offer beneficiaries the chance to acquire new, industry-relevant skills, making them more competitive in the job market.
- e. **Fosters dignity and self-worth:** Receiving an allowance gives holders a sense of purpose and acknowledges their potential contribution to society, even while they are between jobs.
- f. **Empowers marginalized communities:** The scheme's inclusive nature, irrespective of caste, religion, or gender, promotes equal opportunity and empowers youth from disadvantaged backgrounds.
- g. **Reduces social unrest:** High youth unemployment can lead to social and political instability. The scheme helps address this issue by providing a safety net and pathway to employment.

3. ADMINISTRATIVE AND GOVERNANCE SIGNIFICANCE:

- a. **Promotes digital inclusion:** The direct benefit transfer (DBT) model requires beneficiaries to have Aadhaar-linked bank accounts, fostering financial and digital inclusion.
- b. **Enhances government accountability:** The implementation of the scheme demonstrates the government's commitment to its electoral promises and responsiveness to the needs of its young population.
- c. **Provides valuable data:** The scheme's registration process and follow-ups provide the government with crucial data on youth employment trends, skills gaps, and placement outcomes.
- d. **Creates policy feedback loop:** Feedback on the program's successes and challenges can inform future government policies and interventions related to employment and skill development.
- e. **Encourages proactive job seeking:** The limited duration of the allowance incentivizes beneficiaries to actively search for and secure employment rather than becoming dependent on the stipend.

GUIDELINES FOR YUVA NIDHI HOLDERS:

- a. **Be a resident of Karnataka:** Applicants must be a permanent resident of Karnataka and must have completed at least six years of education in the state up to their degree or diploma.
- b. **Hold a valid degree or diploma:** The scheme is for individuals who completed their diploma or graduation (degree) in the 2022–2023 academic year or later.
- c. **Remain unemployed for six months:** You must be unemployed for at least 180 days (6 months) after completing your studies before you can begin receiving the allowance.

- d. Register on the Seva Sindhu portal:** To receive benefits, holders must register on the Seva Sindhu Guarantee Schemes portal. Application can be done online or offline at Grama One, Karnataka One, or Bapuji Seva Kendras.
- e. Regularly declare unemployment:** Beneficiaries are required to submit a self-declaration of their unemployment status every three months through the Seva Sindhu portal. Failure to do so will result in the suspension of the allowance.
- f. Provide accurate details:** All information provided during the application process must be accurate. False declarations of employment can result in penalties, including the recovery of all allowance money paid and legal action.
- g. Hold an Aadhaar-linked bank account:** The monthly unemployment allowance is transferred directly to the beneficiary's bank account via Direct Benefit Transfer (DBT). This requires the bank account to be seeded with the Aadhaar number.
- h. Inform authorities upon securing a job:** If a beneficiary finds employment, they must immediately inform the authorities. The monthly allowance will be stopped as soon as a job is secured.
- i. Do not be a beneficiary of similar schemes:** Those already receiving benefits from other government schemes, including those for self-employment, are not eligible for Yuva Nidhi.
- j. Acceptance of skill training:** The scheme may encourage beneficiaries to participate in skill-building initiatives. The complementary "Yuva Nidhi Plus" program offers free vocational and soft skills training to enhance employability.

PRESENT STATUS OF THE YUVA NIDHI SCHEME:

The Karnataka Yuva Nidhi scheme continues to disburse unemployment allowance and skill training to unemployed graduates and diploma holders who graduated in 2023 or later, with applications processed via the Seva Sindhu portal. While over 3 lakh individuals have registered, a challenge exists with beneficiaries' reluctance to attend the provided skill development programs under the Yuva Nidhi Plus initiative.

1. CURRENT STATUS:

- a. Continued Beneficiary Support:** The scheme is actively providing monthly financial assistance of ₹3,000 for graduates and ₹1,500 for diploma holders, paid via Direct Bank Transfer (DBT).
- b. Skill Development Initiatives:** The Yuva Nidhi Plus component offers free courses in various fields like AI, EV, and cyber security to enhance employability, although many registered beneficiaries are not participating.
- c. Ministerial Concerns:** The Karnataka Minister for Skill Development has expressed disappointment over the low uptake of the training programs, clarifying that the financial aid will continue even if beneficiaries join the training.
- d. High Registration, Low Training Uptake:** While over 3 lakh candidates have registered, a significant number are hesitant to join the skill development programs, fearing a discontinuation of their allowance.

ISSUES AND CHALLENGES OF YUVA NIDHI SCHEME:

The Yuva Nidhi scheme, a Karnataka government initiative providing unemployment allowances to educated, unemployed youth, faces several significant issues and challenges. These problems span from low engagement in skill development programs to administrative difficulties and restrictive eligibility criteria.

1. Implementation and operational issues:

- a. **Irregular allowance disbursement:** Many beneficiaries have reported inconsistencies and delays in receiving their monthly unemployment allowance. Some received the payment for the first few months but then experienced gaps, which officials attributed to technical difficulties.
- b. **Low beneficiary coverage:** Despite an estimated 10 lakh eligible youth in the state, only a fraction—approximately 3.7 lakh—have successfully enrolled and received benefits. This indicates that many of the intended recipients are not being reached.
- c. **Technical glitches:** The Seva Sindhu portal, which handles registrations, experienced technical issues during its initial launch. These glitches, combined with a rigorous documentation process, have created obstacles for applicants.
- d. **Lack of awareness:** In more remote or disadvantaged areas, a lack of awareness about the scheme and its application process has prevented many eligible youth from applying.
- e. **Administrative hurdles:** The registration process, which can be done both online and offline, is often hindered by slow processing and manual verification requirements.

2. Skill development and training issues:

- a. **Low participation in training:** A key component of the Yuva Nidhi scheme is upskilling beneficiaries to increase their employability. However, many beneficiaries are reluctant to participate in the associated training programs, with one report citing an over 77% lack of interest.
- b. **Fear of losing benefits:** Some beneficiaries incorrectly believe that joining the skill development training will cause them to lose their unemployment allowance, even though officials have clarified this is not the case.
- c. **Ineffective training promotion:** Despite offering free, high-quality courses in areas like AI and cyber security, the government's efforts to convince beneficiaries of the value of this training have been largely unsuccessful.

3. Eligibility and financial limitations:

- a. **Insufficient allowance:** Youth groups like the Democratic Youth Federation of India (DYFI) have criticized the monthly stipend (₹3,000 for graduates and ₹1,500 for diploma holders) as insufficient to cover living expenses, especially given current inflation.
- b. **Restricted eligibility:** The scheme is limited to graduates and diploma holders from the academic year 2022–2023 or later. This excludes a large number of previously unemployed youth who are still struggling to find jobs.

c. **Exclusion of higher education students:** Beneficiaries who opt for higher education are not eligible for the scheme, which can penalize those seeking to further their qualifications.

4. Structural and economic challenges:

- a. **Risk of reduced motivation:** As with other universal basic income (UBI) style programs, critics raise concerns that receiving an allowance could decrease the motivation for some beneficiaries to actively seek employment.
- b. **Limited job creation:** While the scheme offers financial support and training, it doesn't address the fundamental issue of a lack of sufficient quality jobs in the market. Critics argue that focusing on creating more permanent jobs is a more sustainable solution.
- c. **Fiscal sustainability:** The allocation of significant state funds to guarantee schemes like Yuva Nidhi has drawn criticism regarding long-term fiscal sustainability

SUGGETION:

The recommendations aim to strengthen the scheme by raising public awareness, ensuring timely disbursement of funds, broadening eligibility criteria, and encouraging greater participation in Yuva Nidhi Plus skill development initiatives. They also call for simplifying the application process on the Seva Sindhu portal, guaranteeing prompt unemployment allowance payments, and extending benefits to a larger pool of graduates. Furthermore, the suggestions highlight the need to enhance monitoring and evaluation systems, promote active engagement in training programs, and ensure long-term fiscal sustainability through efficient resource management and regular policy assessments.

CONCLUSION:

The Yuva Nidhi scheme is a significant step by the Karnataka government to support educated unemployed youth through monthly financial aid and skill development programs. By providing ₹3,000 for graduates and ₹1,500 for diploma holders, the scheme eases financial stress, promotes self-reliance, and improves employability. Despite challenges such as delayed payments and low participation in training, the program has benefited over 300,000 youths and stimulated economic growth and entrepreneurship. Yuva Nidhi offers a promising model for addressing youth unemployment and enhancing human capital, contributing to sustainable socio-economic progress in Karnataka and beyond.

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